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**VOLUME ONE: SCENARIOS OF
FUTURE IMMIGRATION
AND ETHNICITY**

DECEMBER, 1984

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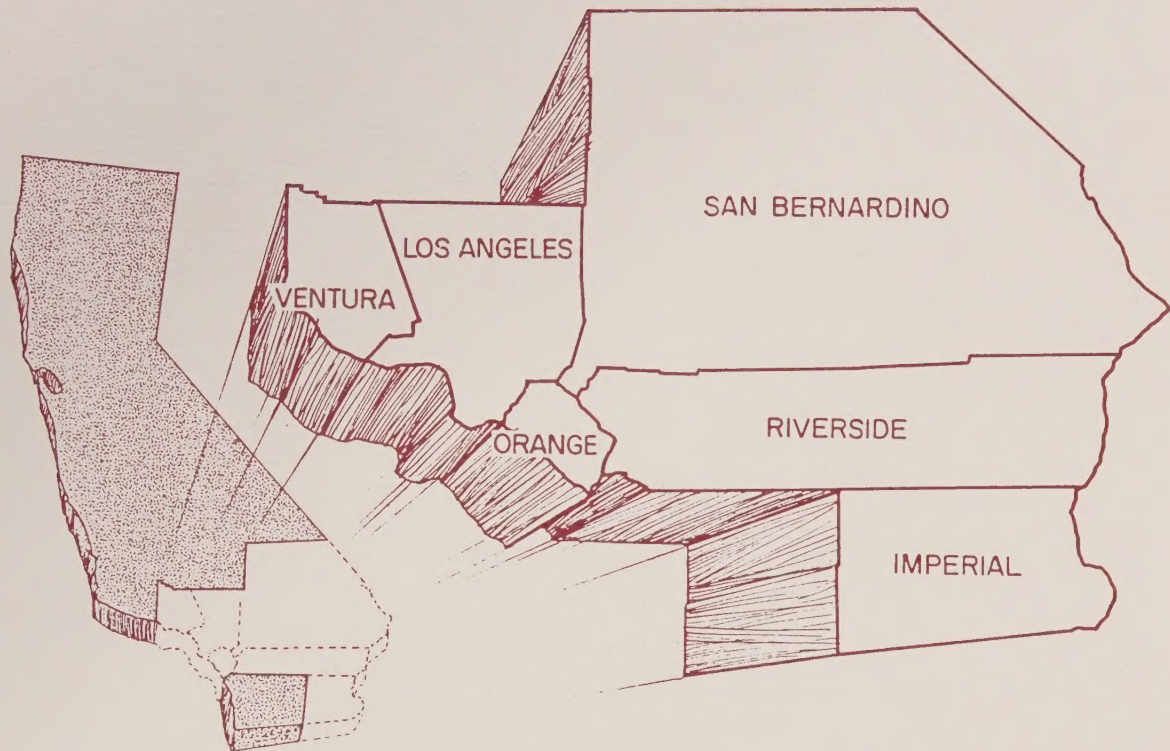
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UNIVERSITY OF CALIFORNIA

**SOUTHERN CALIFORNIA:
A REGION IN TRANSITION**

scag
SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS

SCAG REGION



This report was developed for a number of purposes, including:

- Improving our knowledge regarding the ethnic and immigrant components of growth, thereby improving the accuracy of SCAG's forecasts of total population, housing and employment growth;
- Increasing the awareness of the implications and impacts of the changing demographic makeup of our region, so that SCAG and the local governments of the region can better prepare for these changes;
- Providing local governments and other interested groups with information concerning where within the SCAG region the most dramatic demographic changes are occurring.

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SOUTHERN CALIFORNIA: A REGION IN TRANSITION

**Volume One: Scenarios of
Future Immigration and Ethnicity**

DECEMBER, 1984

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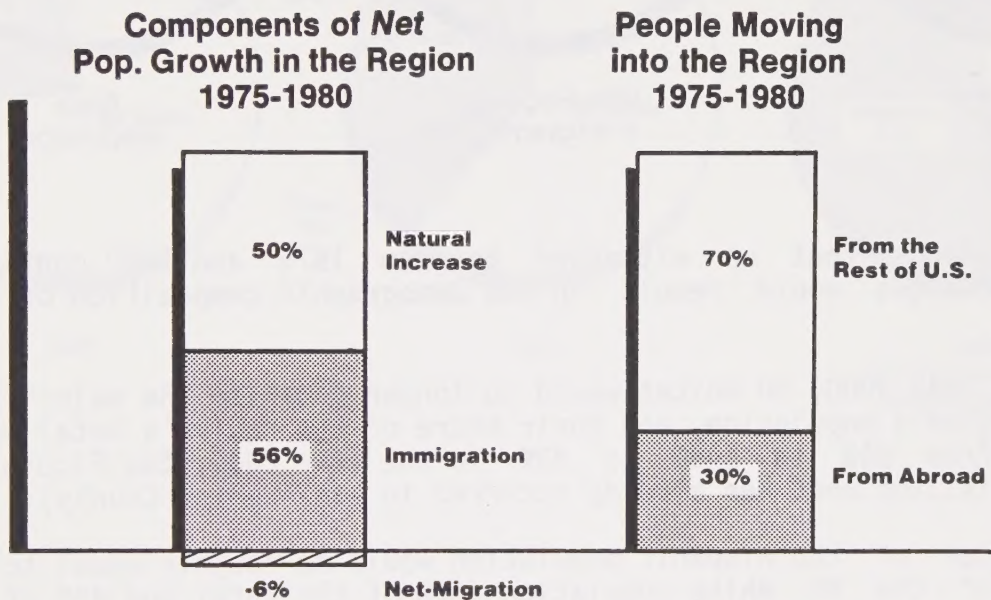
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INTRODUCTION

The SCAG region is witnessing significant demographic changes. Predominant among these changes is the rapid growth of immigrant populations, particularly from Latin American (Mexico and Central America), and Asian nations (Phillipines, Korea, China, Vietnam, India, etc). Between 1975 and 1980, the SCAG region attracted almost half a million immigrants. To help give a perspective on the importance and size of the immigrant population group in the SCAG region, consider the following information:

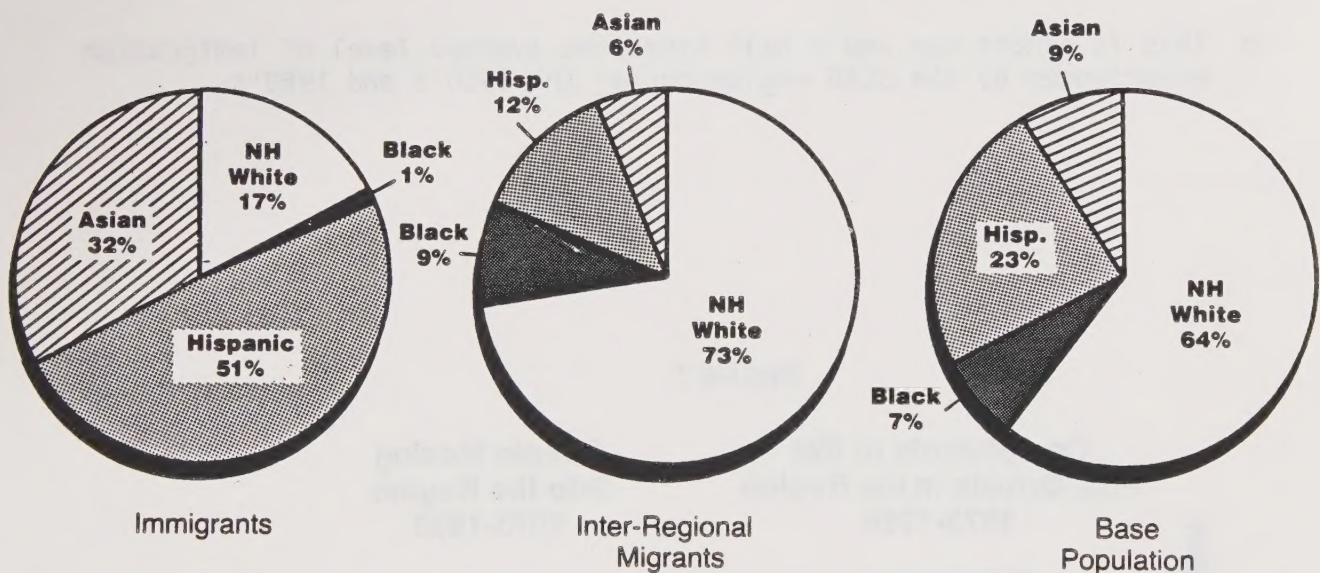
- o Immigration represents a little over half of the region's net growth during the period (1975-80), and about a third of the total number of people migrating to the region (See Figure 1);
- o Approximately 1 out of every 8 immigrants that came to the U.S. during this period located here in the SCAG region. This is two and a half times the SCAG region's proportionate share of the nation's total population; and
- o This is almost two and a half times the average level of immigration experienced by the SCAG region during the 1950's and 1960's.

Figure 1



This recent immigration has contributed significantly to a shift in the ethnic composition of the SCAG region. Of the total number of recent immigrants, 80% were Hispanic and Asian. (See Figure 2) As a result of the high levels of immigration (as well as the high fertility rates of the Hispanic population), the number of Hispanics grew by almost 1.4 million people or 99% between 1970 and 1980, and of Asian-Pacifics by more than 400,000 or 150%. In contrast, the number of Nonhispanic (NH) Whites within this region actually declined by half a million people or minus 6% in this period, and the number of Blacks grew by less than a quarter million or 28%. These shifts have raised the percentage of the region's "minority population" (Hispanics, Blacks, and Asians) from 25% in 1970 to 39% in 1980.

Figure 2
Distribution of the 1975-1980 SCAG Ethnic Population
by Immigrant, Inter-Regional Migrant and Base Population

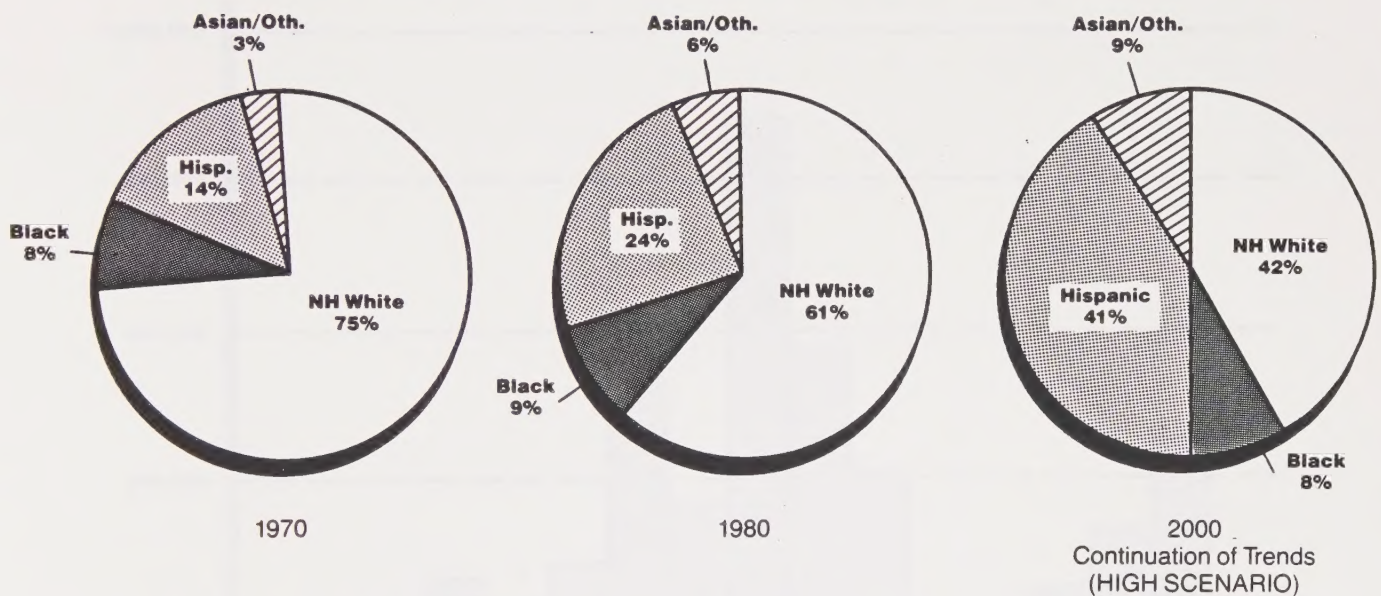


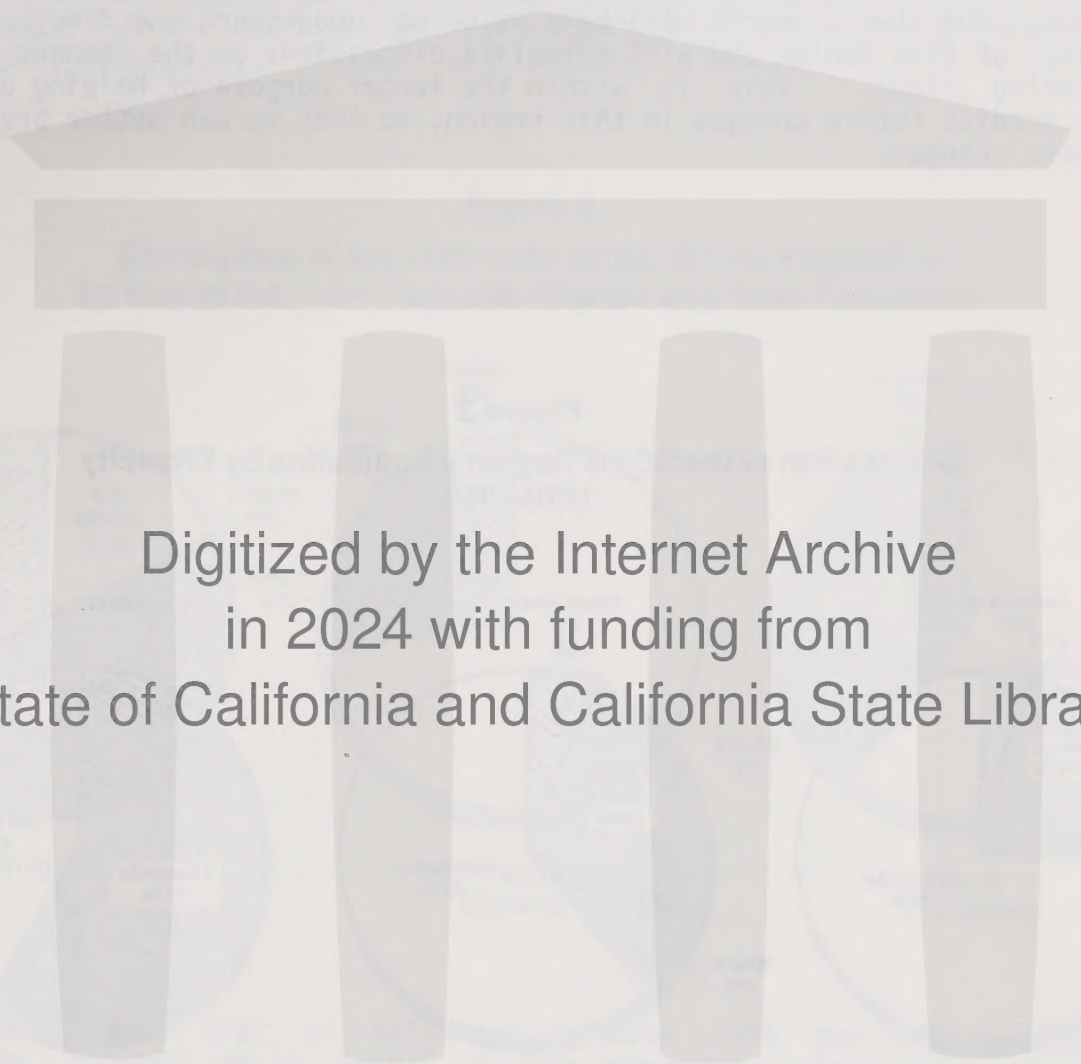
Should the trends that we witnessed between 1975 and 1980 continue, significant changes would result in the demographic composition of this region:

- o By the year 2000, NH Whites would no longer comprise the majority of the region's population, and their share of the region's total would drop from 61% in 1980 to 42% in the year 2000, (See Figure 3), (paralleling what has already occurred in Los Angeles County);
- o The size of the Hispanic population would be roughly equal to the size of the NH White population (41% of the total and 42% of the total, respectively); and
- o The number of foreign-born residents would increase from 18% in 1980 to approximately 30% in the year 2000.

However, are the trends that we witnessed from 1975 to 1980 likely to continue? While at this time no one can provide a conclusive answer to this question, this report attempts to shed light on this subject by providing calculations showing what the demographic composition of our region would be if different immigration scenarios came to pass. A companion report, entitled Southern California: A Region in Transition, Impacts of Present and Future Immigration, analyzes the implications of these different scenarios, and provides additional information on the characteristics of those who are moving to this region. It is hoped that together, the two reports will help us better understand the demographic dynamics of this region and will stimulate discussions on the changes that are taking place. This is within the larger purpose of helping us to better predict future changes in this region, so that we can better prepare for these changes.

Figure 3
Distribution of the SCAG Region's Population by Ethnicity
1970-2000





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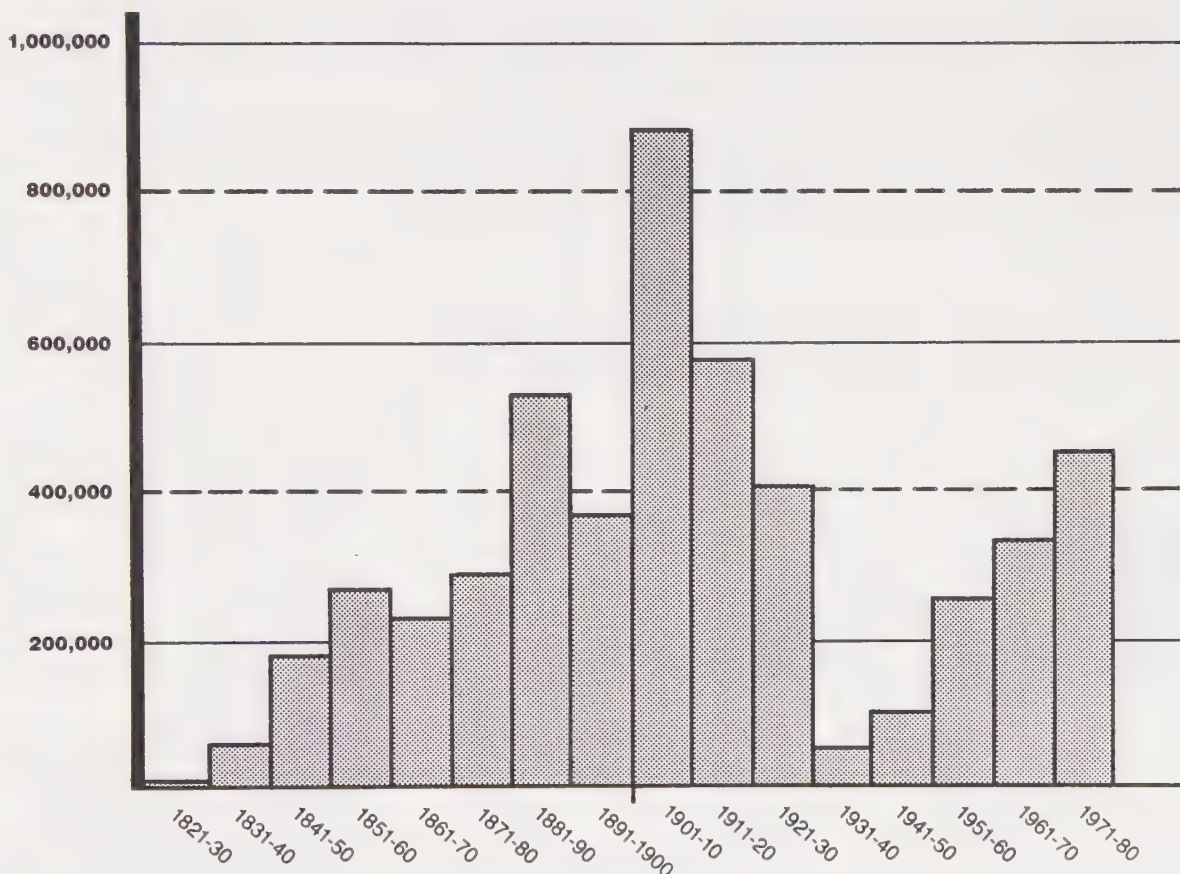
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IMMIGRATION TRENDS

To understand the significance of immigration and how it impacts the demographics of a nation and a region, it is useful to take a look back in time. Historically, with the significant exception of slaves, immigrants have come to this nation seeking improved economic opportunity and political and religious freedom. However, changes in political, economic and social factors both in this nation and in other nations have led to dramatic changes in the numbers and characteristics of immigrants entering this country.

Immigration in the course of U.S. history has fluctuated dramatically. As can be seen in Figure 4, at the beginning of the 1800's immigration amounted to less than 50,000 immigrants a year. However, by 1900, immigration grew to 900,000 per year -- the highest level ever reached in U.S. history. A few decades later the Great Depression caused immigration to plummet; however, since then, immigration has steadily climbed, so that in recent years, legal immigration has totalled 500,000 per year.*

Figure 4
Annual Average Number of Immigrants Admitted
to the U.S. by Decade
1821-1980



* Undocumented immigration may have added approximately 125,000 to 250,000 per year.

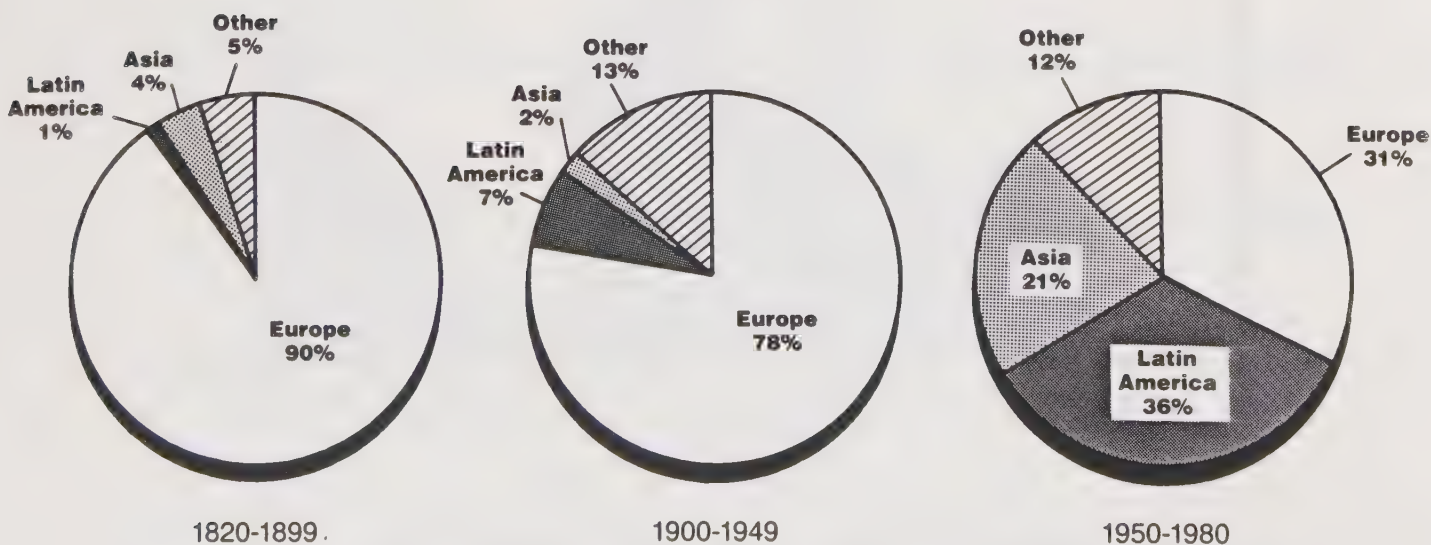
In addition to the changing size of immigration, the composition has also changed. Before 1950, most of the immigrants that entered the U.S. came from Europe; however, in the last three decades trends have shifted toward Latin America and Asia immigrants (See Figure 5). As presented in the recent Immigration and Naturalization Service Statistical Yearbook, in 1980 Asian and Latin American immigrants represented over three quarters of the total legal immigrants entering the U.S.

In the 19th Century, the waves of immigrants coming to the United States from Europe settled in major East Coast urban centers (e.g., New York, Boston, Baltimore, as well as in the Mid-West). During those periods, Ellis Island became the gateway to this new land. Today, with the shift toward Asian and Latin American immigrants, the SCAG region has been labelled by Time magazine: "The New Ellis Island." Possible reasons for the shift to this region include:

- o The abundance of job opportunities in this region, compared to other parts of the nation;
- o The proximity of Mexico and Central America;
- o The location of this region on the Pacific Rim;
- o The similarity (warmth) of this region's climate to Latin America and Asia-Pacific countries; and
- o The large ethnic communities and cultural centers already established in the region (e.g., Koreatown, East Los Angeles, Orange County's Vietnamese community, Little Tokyo).

These are not unlike the reasons the Irish, Italian, and Jewish immigrants first settled in the Eastern U.S.

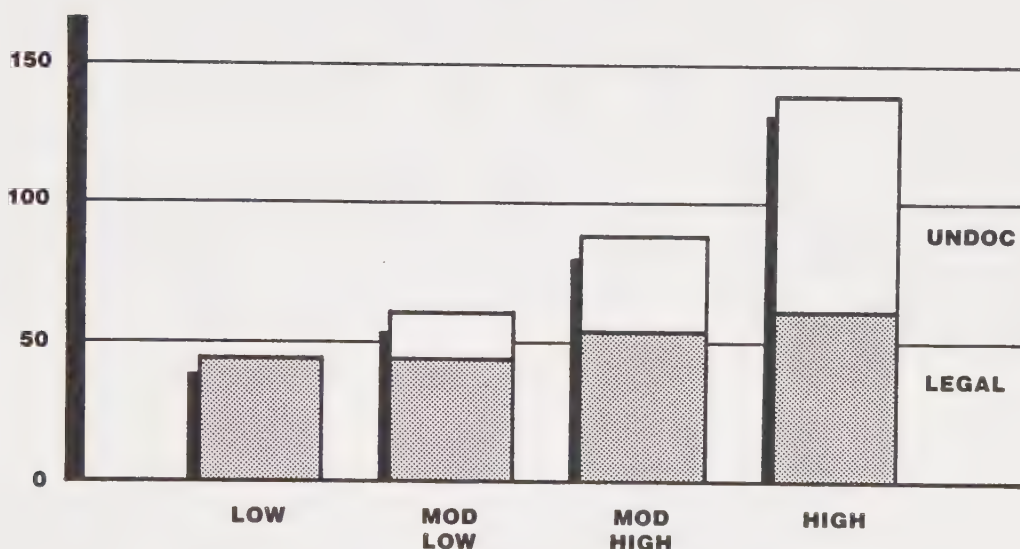
Figure 5
Origin of Immigrants to the U.S.
1820-1980



IMMIGRATION SCENARIOS

Determining future immigration levels is a difficult task because of the historical fluctuations, the changing nature of immigration policies, and the lack of accurate information on current and past undocumented immigration. However, in an attempt to help our understanding of the magnitude of changes that might occur, this report is intended to bracket the range of plausible future immigration levels, and calculate the resultant demographic composition of this region in the year 2000. Four scenarios have been developed, each presenting different levels of legal and undocumented immigration (See Figure 6). Demographic (fertility and mortality) and economic assumptions remained the same for each scenario, thus allowing the immigration assumption to control the differences among the four scenarios. The assumptions behind each scenario incorporate the input of a group of immigration and demographic experts. (See Appendix E for listing of experts.)

Figure 6
Scenarios of Immigration
for the SCAG Region
(Annual Ave.)



The four scenarios are briefly described below. Additional discussion of the assumptions behind each scenario are presented in Appendix A.

High Scenario

This scenario is intended to reflect the upper end of a range of possible immigration trends. It assumes continuation of legal immigration at levels experienced during the 1970's (nation: 475,000 annually; SCAG: 65,000 or 14% of the national total). Undocumented immigration is assumed to continue at the high end of estimates given in recent studies (nation: 250,000 annually; SCAG: 75,000 or 30% of the national total). This scenario shows this region to continue to capture a disproportionately high percentage of the nation's immigration. (A share proportionate to total population would have given this region only 5% of the national immigration figures, rather than the 14% and 30% assumed in this scenario.) (See Table 1)

Moderate-High Scenario

This scenario assumes the same level of legal immigration for the nation as the High Scenario (475,000 annually), but assumes a slightly lower level for the SCAG region (56,000 or 12% of the national total). However, the assumption on undocumented immigration is considerably lower than under the High Scenario. It is based on an assumed level of undocumented immigration to the nation of 125,000 per year -- a level equal to the lower end of the estimates in recent studies. Also, the SCAG region is assumed to attract 30,000 undocumented immigrants or 24% of the national total, considerably less than the 75,000 and 30% assumptions in the High Scenario. However, the SCAG region's share of the national immigration total would still be disproportionately high.

Moderate-Low Scenario

This scenario is based on the lowest levels (319,000 annually nationwide) of legal immigration currently being considered under proposed federal legislation (Simpson, Mazzoli, and Roybal Bills). This national level of immigration would be significantly lower than the 475,000 shown in recent trends, but higher than the nation experienced during the 1950s. The SCAG region is assumed to attract 44,000 legal immigrants per year, or 14% of the national total. This is considerably lower than recent trends, but still higher than the region's proportionate share of the nation's total population. For undocumented immigrants, the nation is assumed under this scenario to attract 75,000 per year, and the SCAG region 15,000 per year or 20% of the national total. This too would be considerably lower than recent trends.

Low Scenario

This scenario is intended to reflect the lower end of a range of possible immigration trends. The assumptions for legal immigration are identical to that shown in the Moderate-Low Scenario -- the lowest levels proposed under current legislation. However, unlike the Moderate-Low Scenario, undocumented immigration is assumed to be completely halted -- an unprecedented situation in the U.S.

Other Possible Combinations

The High Scenario assumes high levels of immigration at the national scale, and high regional shares of the national total, while the Low Scenario assumes low national levels and low regional shares. Thus, by bracketing the upper and lower ranges of possible scenarios, it is possible to develop interpolations between these scenarios that represent unique combinations of national immigration assumptions and regional share assumptions. For example, the numbers shown in the Moderate-Low Scenario can represent an assumed 475,000 national immigration assumption and a 9% regional share, or they could represent, as was assumed in this report, a 319,000 national immigration assumption and a 14% regional share. In either cases, the results of the model runs presented in this report would be the same.

Table 1
1980-2000 Annual Average Immigration

		SCENARIO							
		LOW	% of U.S.	MOD-LOW	% of U.S.	MOD-HI	% of U.S.	HIGH	% of U.S.
SCAG	LEGAL	44,000	15%	44,000	14%	56,000	12%	65,000	14%
	UNDOC	0	--	15,000	20%	30,000	24%	75,000	30%
	TOTAL	44,000		59,000		86,000		140,000	
U.S.	LEGAL	319,000*		319,000*		475,000**		475,000**	
	UNDOC	0		75,000		125,000***		250,000***	
	TOTAL	319,000		394,000		600,000		725,000	

* Lowest figure presented in the Simpson, Mazzoli, and Roybal Bills.

** Average levels of immigration (1976-1981).

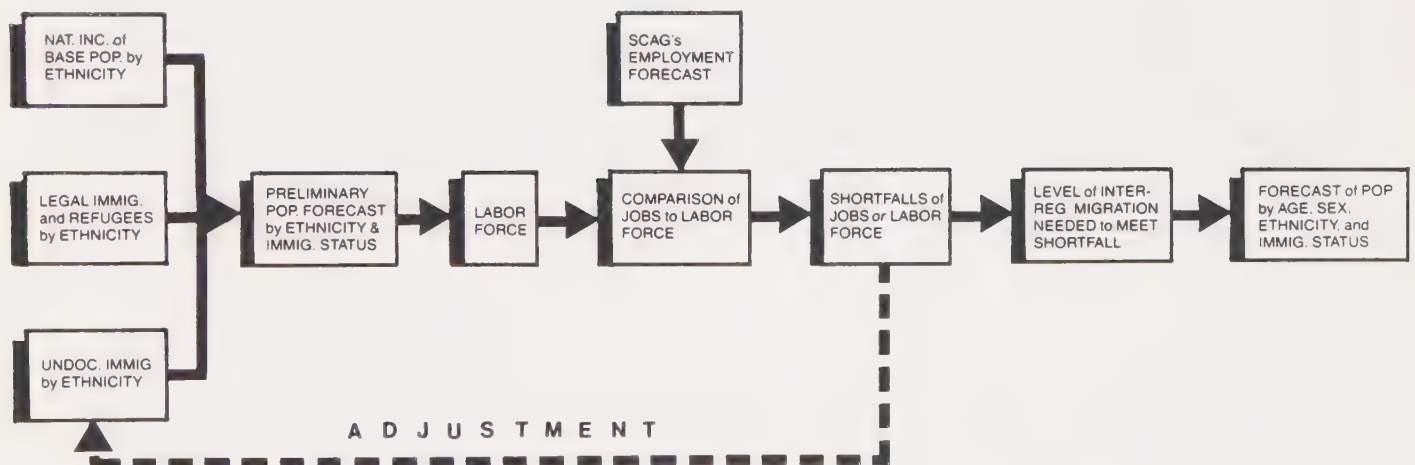
*** Upper and lower range of recent estimates.

DEVELOPMENT OF THE FORECASTS

In order to obtain a picture of what the demographic characteristics of this region would be if the assumptions described above and in Appendix A came to pass, these assumptions were run through a forecasting model developed by the Center for the Continuing Study of the California Economy, in Palo Alto. This model is described in Appendix B, and summarized in the flow chart shown in Figure 7.

As can be seen from the flow chart, the forecasting model first calculates a preliminary population forecast by ethnicity, based on assumptions of fertility, mortality, and immigration rates. From this preliminary forecast, the labor force population (16-64 age group) is compared to an employment figure of 7.5 million in the year 2000 -- a figure that is controlled for all four scenarios. (In order to reflect a recent slowing of employment trend, the controlled number is slightly lower than SCAG-82's employment forecast of 7.6 million). The comparison of labor force to jobs result in either a shortfall of jobs or workers. This shortfall directly determines the level of interregional migration, with people moving into the region to fill jobs or leaving in response to the lack of jobs. It is important to note that if different employment totals were used, new scenarios would emerge with different levels of interregional migration, and total population.

Figure 7
Flow Chart
Population Characteristics
Forecasting Model



MODEL RESULTS

Components of Population Growth

High Scenario

As mentioned before, this scenario assumes that the SCAG region will continue to attract immigrants at the same high rate that was witnessed between 1975 and 1980. (This scenario also assumes the high end of the estimates for undocumented immigration.) Under this scenario, 2.8* million immigrants would move to this region between 1980-2000, an absolute number that is in-line with the high estimates of trend. (See Tab. 2 & Fig. 8) However, the dominance of immigration under the High Scenario can be clearly seen by examining the ratio of immigrant growth to total population growth. Between 1975 and 1980, net immigration accounted for over half the region's total population growth, or a ratio of .55. (See Appendix C.) However, the High Scenario forecast shows a very different ratio. From 1980 to 2000, the High Scenario shows the ratio of immigrant growth to total population growth to be .93. This results because (1) the absolute number of immigrants added to the region each year from 1980 to 2000 is the same as that added each year between 1975 and 1980, and (2) the total population and employment growth forecast in SCAG-82 in the region for each year from 1980 to 2000 is less than that which occurred annually from 1970 to 1980. Numerically, this equates to a total increase from 1980 to 2000 of 2.8* million immigrants, compared to a total population increase of 3.0 million persons. The result: relative dominance of immigrant growth to total regional population growth is more than one and one-half times as large as trend.

As a result of the assumed high levels of immigration and the assumed forecasted employment total of 7.5 million, the region would experience net out-migration to other regions in the U.S. of about 1.8 million people. And more than half of the out-migrants are forecasted to be NH Whites, resulting in a decrease in the NH White population. More on the ethnic shifts as a result of immigration will be discussed in the next section.

The forecasting model was based on the level of employment shown in SCAG-82 -- 7.5 million employees in the year 2000. While SCAG-82 reflects SCAG's perception of the most likely level of employment growth for this region, it should be noted that SCAG-82 was not explicitly based on an assumed high level of immigration. One possibility is that the high immigration scenario is best linked with a high employment growth scenario. Had the employment assumption been higher than that shown in SCAG-82, then the net out-migration to other regions of the U.S. would have been lower than that shown.

Moderate-High Scenario

The assumption of immigration under this scenario is very similar to the High Scenario except that the SCAG region's share of the nation's immigration is slightly smaller, and that the undocumented figure reflects the lower end of recent estimates. Under the Moderate-High Scenario, the

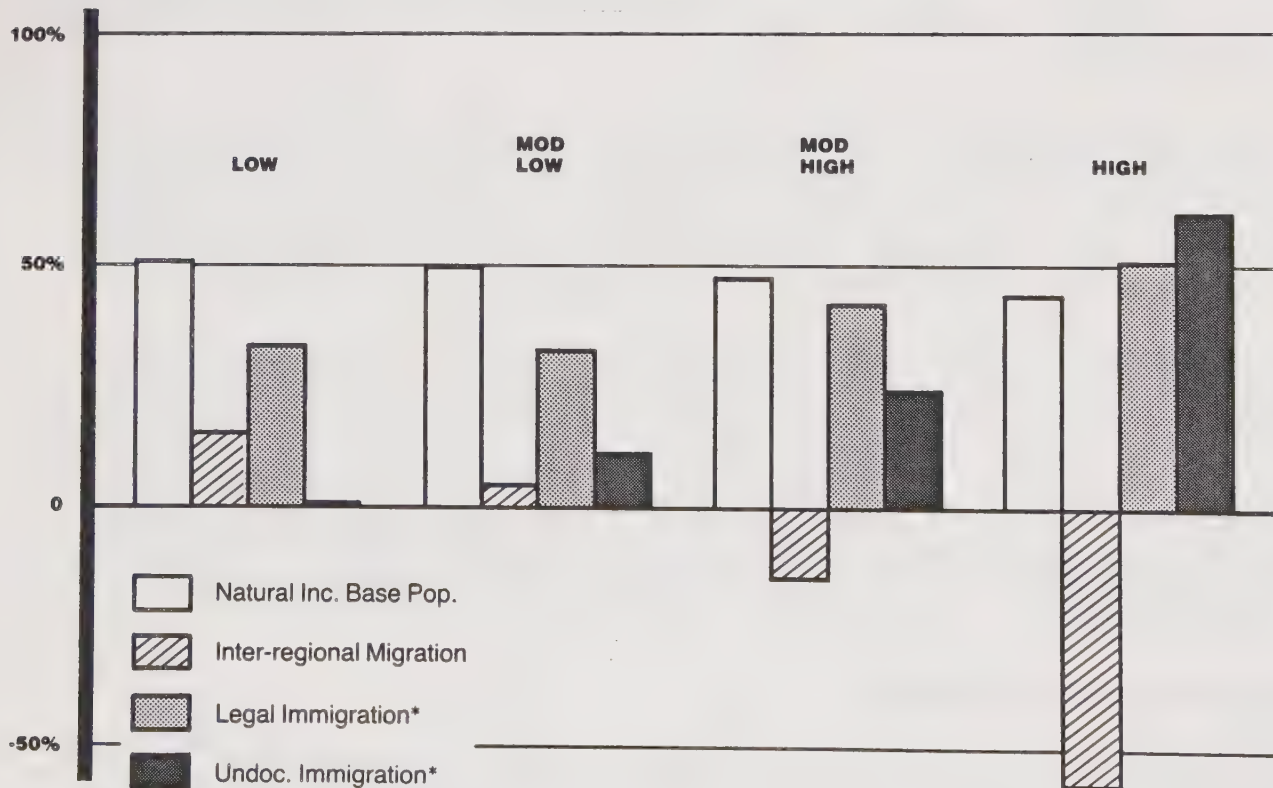
* Includes direct immigration, excludes subsequent natural increase.

Table 2
Components of SCAG Region's Growth
1980-2000
(000's)

	SCENARIO			
	LOW	MOD-LOW	MOD-HI	HIGH
BASE POP NATURAL INCREASE	1,653	1,614	1,544	1,372
INTER-REG MIG	473	134	-436	-1,756
LEGAL IMMIG*	1,053	1,053	1,339	1,560
Natural Increase	173	173	219	260
UNDOC IMMIG*	0	354	758	1,896
Natural Increase	0	74	158	396
TOTAL GROWTH	3,179	3,155	3,205	3,072

* Includes direct immigration and the subsequent natural increase of the legal and undocumented immigrants.

Figure 8
Components of Growth
Percent of the Total Population Growth
1980-2000



*Includes direct immigration and the subsequent natural increase.

immigrant population (legal and undocumented) grows by a little over two million between 1980 and 2000. The ratio of immigration to total population growth under the Moderate-High Scenario is .65, slightly higher than the .55 shown by trends.

This scenario also shows negative interregional migration (net out-migration) of 436,000 during the period 1980-2000. This is significantly lower than the negative interregional migration shown in the High Scenario. In addition, the relationship of interregional migration to immigration is similar to that experienced in the lower estimates of recent trends.

Moderate-Low Scenario

The Moderate-Low Scenario assumes lower levels of both legal and undocumented immigration than the two previous scenarios. The increase due to immigration is not at the expense of interregional migration; this scenario shows both immigration and interregional migration as being positive. Immigration accounts for 45% of the regions growth, and interregional migration (net in-migration) represents 4%, while natural increase of the base population (those living in the region in 1980) accounts for the remaining 51%.

Low Scenario

This scenario assumes a legal immigration level similar to that of the Moderate-Low Scenario; however, no undocumented immigrants are assumed. Under the Low Scenario, the interregional migratory patterns are reversed from those of the High Scenario. Fifteen percent of the region's growth is a result of positive interregional migration; in absolute terms it represents almost half a million more people from other parts of the nation. Foreign immigration contributes only a third of the region's growth, while over half is a direct result of the natural increase of the base population. Of the half a million interregional migrants, over three quarters are NH Whites, and this consequently results in an increase in the NH White population, a change from the growth patterns experienced during the 70's.

It is important to note that based on the forecast methodology, net interregional and international immigration is dependent on the surplus or deficit of jobs in the region. Under the Low Scenario, the assumed low level of immigration would be insufficient to fill all the jobs of the region, and therefore, the shortfall would be met with in-migrants from other parts of the nation. However, scenarios assuming higher levels of immigration, as the Moderate-High and High Scenarios, would result in more workers than jobs, resulting in out-migrants to other parts of the U.S.

Ethnic Distribution

As already discussed, the high immigration levels of the '70's resulted in a dramatic change in the ethnic composition of the region. During this period, Hispanics and Asians, which represent the two largest immigrant groups of the '70's, doubled their population. By 1980, the "minority group" made up of Blacks, Hispanics and Asians had grown to represent well over a third of the region's population. During this same period (1970-1980) the NH White population witnessed not only a decline in their relative share of the regional population, but also a decline in their absolute numbers by half a million people. (See Tab. 3,4 & Fig. 9)

A review of the results of the model runs shows that by the year 2000, "minorities" may become the "majority." The group of "minorities" of Black, Hispanics and Asians under the High Immigration Scenario would surpass the NH White population by two and a half million people.

In the Low Scenario, Blacks, Hispanics and Asians together make up almost half the regional population in the year 2000. However, under this scenario the NH White population increases by more than half a million people, countering the trends of the '70's.

Figure 9
Percent Distribution of Population
by Ethnic Group in the SCAG Region
1970-2000

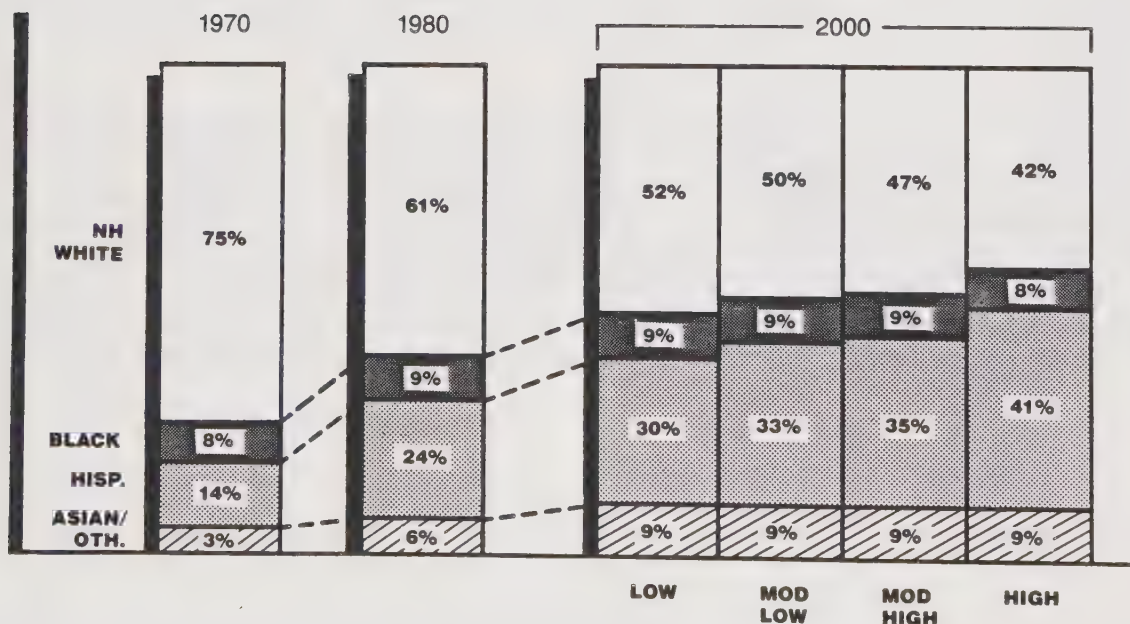


Table 3
Ethnic Population in the SCAG Region
1980 and 2000
(in 000's)

	1980	2000			
		LOW	MOD-LOW	MOD-HI	HIGH
NH WHITE % of Total	7,026.2 60.6%	7,617.1 51.6%	7,325.6 49.7%	6,945.5 46.9%	6,149.1 41.9%
HISPANIC % of Total	2,807.3 24.2	4,509.5 30.5	4,835.0 32.8	5,207.9 35.2	6,016.5 41.0
BLACK % of Total	1,040.5 9.0	1,362.8 9.2	1,318.3 8.9	1,252.1 8.5	1,125.0 7.7
ASIAN/OTH % of Total	715.7 6.2	1,277.4 8.7	1,266.0 8.6	1,389.5 9.4	1,370.8 9.3
TOTAL POP	11,589.7	14,766.7	14,744.9	14,795.0	14,661.4

Table 4
Ethnic Population Growth in the SCAG Region
1980-2000
(in 000's)

	ADDED POPULATION 1980-2000				PERCENT GROWTH			
	LOW	MOD-LOW	MOD-HI	HIGH	LOW	MOD-LOW	MOD-HI	HIGH
NH WHITE	590.9	299.4	-80.7	-877.1	8.4%	4.3%	-1.1%	-12.5%
HISPANIC	1,702.2	2,027.7	2,400.6	3,209.2	60.6%	72.2%	85.5%	114.3%
BLACK	322.3	277.8	211.6	84.5	31.0%	26.7%	20.3%	8.1%
ASIAN/ OTH	561.7	550.3	673.8	655.1	78.5%	76.9%	94.1%	91.5%
TOTAL POP	3,177.0	3,155.2	3,205.3	3,071.7	27.4%	27.2%	27.7%	26.5%

Nonhispanic White (NH White)

In 1970, the NH White population was 7.5 million, representing three quarters of the region's population. By 1980, the population decreased to 7.0 million, and their share dropped to 61%. In all four scenarios, the share of the total population held by NH Whites continues to drop (52% under the Low and 42% under the High). Under the High Scenario, the NH White population is forecast to decline by one million people, a result of high out-migration. However, counter-trending occurs under the Low and Moderate-Low Scenarios, with the NH White population increasing by 600,000 and 300,000, respectively.

Hispanic

In the 1980 Census, the region's 2.8 million Hispanics represented almost a quarter of the region's 11.6 million residents. If recent levels of immigration (both legal and undocumented) to this region from Mexico and other Latin American nations continue, the Hispanic population would double in size by the year 2000. Under this High Immigration Scenario, the Hispanic portion of the region's year 2000 population (41%) would almost equal the NH White population (42%). Even if undocumented immigration dropped to an unprecedented zero, as in the Low Scenario, the high fertility rate among Hispanics would increase their population by more than a half, and they would constitute a third of the region's population. In all scenarios, the Hispanic population shows significant growth.

Nonhispanic Black (NH Black)

During the '70's, the Black population grew by about a quarter of a million people for an increase of 2.8% per year. However, this rate of growth is not forecast to continue over the next twenty-year period, due to their relatively small share of the immigrant population and their declining fertility rates. Under the Low and High Scenario, the annual growth rates for Blacks are forecast at 1.6% and 0.4%, respectively. As a result of the relatively slow growth, Blacks become the smallest ethnic group in the region under the Moderate-High and High Scenario, surpassed by the Asian/Other group.

Nonhispanic Asian/Other (NH-A/O)

The Asian/Other group was the fastest growing ethnic group during the 70's -- more than doubling in size. While growing very rapidly in 1980, they were still the smallest ethnic group, representing 6% of the region's total population. By the year 2000, the Asian/Other group is forecast to increase by more than a half a million people, primarily as a result of immigration. By the year 2000 under the Moderate-High and High Scenarios, the Asian/Other group would surpass the Black population.

FACTORS INFLUENCING FUTURE IMMIGRATION PATTERNS

Future levels of immigration are hard to predict. They will be affected by changing U.S. immigration policies, economic and political upheavals around the world, the continued entry of undocumented persons, and the economic conditions of this region relative to other areas. One broad range of possibilities is examined through the four scenarios with different annual net totals presented in this report. The totals range from 44,000 legal and zero undocumented to the SCAG region (Low Scenario) to 65,000 legal and 75,000 undocumented (High Scenario).

Factors that might bring about a reversal of high immigration trends, and hence result in a low immigration scenario include:

- o Changing Public Attitudes: Although polls show the public to be ambivalent about immigration, certain perceptions -- that immigrants take jobs from U.S. workers, create a tax burden, and require bilingual education -- may cause a demand for stricter immigration policies. Public concerns about excessive immigration levels have in the past led to restrictive immigration policies.
- o Changing Distribution of Immigrants in the Nation: As other U.S. regions undergo economic growth, a demand for immigrant labor may follow. This may slow the flow of immigrants into the SCAG region, or induce some of those already here to move on.

In addition, first generation immigrants may enter the nation through the SCAG region, obtain the needed education and working skills while adjusting to U.S. society, and then migrate out to other states. This pattern of mobility has been demonstrated throughout our nation's history.

- o Employer Penalties: The Simpson-Mazzoli Bill, which has passed the U.S. House, would require job applicants to prove legal status before being hired, and impose sanctions on employers that knowingly hire undocumented immigrants. Such measures, if passed, could lead to a decreased flow of undocumented immigrants.
- o Stronger Border Control: A direct measure to hold down illegal entry is to secure the border. Budget constraints now limit the ability of Immigration and Naturalization Service to patrol the areas of entry, but possible increases in funds would most likely result in decreased illegal crossings.
- o Decreased Demand for Labor: As this region's economy matures, the overall demand for labor decreases, hence reducing the economic pull upon immigrant and interregional migrant workers. Of particular importance is the match between the demand for workers of different skills and the skills of the immigrants. It is possible that the future demand for low-skilled workers will become saturated, hence reducing the pull of this region upon low-skilled immigrants. This could result in lower levels of immigration to this region.

- o Increased Competition between Immigrants and Interregional Migrants for Jobs: Under the high immigration scenarios, immigrants and individuals born in this region capture most of the job growth in this region, and there is an actual net out-migration of individuals from this region to other regions. While this scenario is definitely plausible (it actually occurred in the late 1970's), it reverses a long-term trend of net in-migration from other regions within the U.S. to this region. There is the possibility that the long-term trends would return, and once again there would be positive net-migration to this region. This would result in increased competition for jobs, reducing the attraction of this region to immigrants.

On the other hand, the following factors may perpetuate high levels of immigration:

- o The Region's Economic Attractiveness. The region's economy is the second largest in the nation, just behind the greater New York area. If the region were a nation, its gross product would rank it thirteenth, ahead of Mexico, Australia or Poland. Total employment is forecast to reach about 7.5 million by the year 2000, a growth rate 25% faster than the national rate. Calculations show that the region's need for workers is not likely to be met through natural increases, and that either immigration or interregional migration will be needed to meet this demand. And in recent years, this region has actually lost more individuals to interregional migration than it has gained, hence the strong attraction for immigrant workers. At this time, we do not know why this region has lost its historic attraction to interregional migrants, but should the short-term trends continue, in order for the region's economy to grow as expected, it would have to rely on attracting immigrant workers.
- o Gateway of the Pacific Rim. The SCAG region has become a major center of the Pacific Rim, with commercial and cultural ties to many Asian nations. The growth of businesses here with connections to Asian businesses is likely to make this region a preferred location for Pacific-nation immigrants.
- o Economic "Push" of Other Nations. The economic "pull" of the U.S. is augmented by the "push" from nations with high unemployment rates, such as Mexico. (Most of the region's undocumented immigrants are from Mexico and most come for jobs.) Despite efforts to stimulate economic growth in Mexico, the rapid population growth (result of high birth rates) is likely to outstrip the new jobs. Mexico's population is forecast to double by the year 2010, and it will be very difficult for that nation to provide enough jobs for all the workers.
- o Political "Push" of Other Nations. The U.S. has always been a haven for political refugees; e.g., Hungarians in the 1950's, Cubans in the 60s/Haitians and Southeast Asians in the early 1980's. In 1981, it was estimated that about 450,000 Southeast Asian refugees lived in the U.S., with over a fifth residing in the SCAG region. The current political turmoil in Nicaragua and El Salvador has caused

thousands to flee their homes and enter the U.S. illegally. (Los Angeles County now has over 200,000 Salvadorans). This region is likely to continue to experience high levels of immigration from areas undergoing political turmoil.

CONCLUSIONS

This report has attempted to bracket the range of plausible scenarios of future immigration to this region. Unfortunately, at this time we do not have adequate information to predict with a high level of confidence which of the four scenarios presented is most likely to happen. In order to determine which scenario is most likely, additional work and analysis will be needed, particularly on the relationships between employment growth and migration. Answers to the following questions still need to be developed:

- o To what degree do people follow jobs? Jobs follow people?
- o What kinds of jobs are we likely to have in this region in the future? In which job classifications are we most likely to have a shortfall between the demand for labor force and the local supply of labor force? How well does this shortfall match the employment characteristics of potential interregional migrants? Immigrants?
- o Which combination of future job growth and future immigration patterns is most likely to occur?
- o Why, in a period of rapid employment growth, did this region experience negative net interregional migration between the years 1975-80?

Information is also needed on the characteristics of the hundreds of thousands of individuals who move in or out of this region each year, and move within this region between counties and between subregions. SCAG has collected and organized a large amount of data on the characteristics of the base population, interregional migrants, and immigrants, and analysis of some of this data is presented in the companion report, Impacts of Present and Future Immigration. However, additional analysis will be needed before we can say we fully understand the dynamics of the demographic changes occurring in this region, and we can predict with a high level of confidence the future immigration and ethnic composition of this region.

However, we have learned enough from the analysis that went into this report to conclude that this region is indeed undergoing transition, and that this region is likely to continue to witness high levels of immigration and a change in its ethnic composition away from the predominance of NH Whites and toward Hispanics and Asians/Others. This will present the region with new sources of energy and diversity, and with the challenge to create a new model of a world city.

APPENDIX A

KEY ASSUMPTIONS

The following are the general underlying assumptions used in the population characteristics forecasts:

Population Assumptions

Fertility: The age specific fertility rates in this report were developed for each five-year cohort between the ages of 10-45+ for each ethnic group. The same fertility rates for each ethnic group were assumed under all four scenarios. To develop the fertility assumptions for the SCAG region, the U.S. census and United Nations' fertility projections were used. For more detail information see the table below.

**Total Fertility Rates of Ethnic Groups
in the SCAG Region***

ETHNICITY	1980	2000	
BASE POP.:			
NH White	1.53	1.73	Converged the region's 1980 rate to the U.S. Census proj. White (1995-2000 = 1.88)
Hispanic	2.67	2.48	Converged the region's 1980 rate to the NH White
Black	2.17	2.16	Converged the region's 1980 rate to the U.S. Census Proj. Black (1995-2000 = 2.29)
Asian/Other	1.80	1.88	Used the Census proj. White tot. fertility (1995-2000 = 1.88)
LEGAL IMMIG.:			
Hispanic	N.A.	2.86	1/2 difference between U.N. Mexico proj. and Base Hisp. fertility rates assumptions
All Other	(see base pop.)		Same as the fertility of ethnic base
UNDOC. IMMIG.:			
Hispanic	N.A.	2.86	Same as legal Hisp. Immig. assumptions
Non-Hispanic	N.A.	2.37	1/3 difference between U.N. Mexico proj. and U.S. Census All Race proj.

* California age specific fertility rates converged to the projected U.S. at a rate of 1% a year. SCAG region's fertility rates are assumed to equal the state's.

Mortality: The assumed survival rates are the same as the national projections by the U.S. Census.

Immigration: Immigration is the most volatile and most difficult to predict, therefore, four levels of legal and undocumented immigration were developed for each scenario. Legal immigration is defined as numerically restricted, unrestricted, backlog, and refugees. (See Figure 7, page 4).

Employment Assumptions

Employment Total: The regional employment was controlled to 7.5 million in the year 2000. This is slightly lower than SCAG-82 employment forecast of 7.6 million. This slight drop reflects recent employment estimates that have been lower than expected.

Unemployment Rate: The unemployment rate was assumed to decline from a current level of 7.0% to a 1990 rate of 6.5% and a 2000 rate of 6.0%.

Labor Force Participation Rates: The male labor force participation rates were assumed to decline gradually, while women's participation rates are assumed to continue to increase rapidly before slowing down in the 1990s.

APPENDIX B

METHODOLOGY

This report presents four scenarios of different ethnic compositions for the SCAG region. Each scenario was based on the SCAG-82 Forecast of total population (14.8 million in the year 2000) and total employment (7.5 million).

The forecasts of future ethnic mix in the SCAG region were calculated based on: (1) natural increase (births minus deaths), (2) foreign immigration (legal and undocumented), (3) interregional migration, and (4) employment factors. The forecasts were developed for five-year periods, and each growth factor was examined at the national, state, and regional levels.

The first step in developing the scenarios was to forecast the natural increase of the base population. (Each five-year forecast used the previous forecast year's population as its base. For example, the 1985 forecast used as its base the 1980 population, and so on.) The level of natural increase was based on the assumptions of fertility and survival for each ethnic group. Births were determined by assigning a specific fertility rate to each five-year female cohort for the cohorts of 10-15 through 40-45. A forecast survival rate by race, developed by the Census Bureau, was used to determine the surviving base population after five years.

For foreign immigration (legal and undocumented), four scenarios were developed with different levels of legal and undocumented immigrants based on historical trends, current immigration policies, and possible future immigration policies (e.g., the Simpson-Mazzoli Bill). (See Appendix A.)

Based on the natural increase and the assumed levels of immigration, a preliminary forecast (by age, sex, and ethnicity) was determined. From this population, each ethnic group's assumed rate of participation in the labor force was applied to the working age (16-64) to forecast the labor force. When this figure was compared with the forecast of total jobs, each scenario showed either a shortfall of jobs or a shortfall of workers. If the shortfall was workers, then it was assumed to be met by migration into the region from other parts of the country. If jobs exceeded workers, then migration outward from the SCAG region to other parts of the nation was assumed to result. Because interregional migration does not depend solely on the level of immigration, adjustments were made to reflect different levels of interregional migration.

The combination of natural increase (of the base population, and of foreign and domestic migrants) and the assumed volume of net immigration and interregional migration resulted in a forecast of the SCAG region by age, sex, and ethnicity.

APPENDIX C

NOTES ON TREND DATA, 1975-1980

During the decade of the 70's, the SCAG region grew by one and a half million people. The 1980 Census Public Use Microdata Sample (PUMS) reveals that when SCAG residents were asked "Where did you live in 1975?" more than one and a half million responded they lived outside the region (over a million lived in other parts of the nation and half a million abroad). However, some data indicate that while a large volume of people migrated to this region from other parts of the nation, an even larger number may have left, resulting in a net out-migration (see table below). This indicates that the region's population is very transitory, and that foreign immigration and natural increase were the major contributing components to the 70's regional population growth.

Components of the SCAG Region's Population Growth 1975-1980

Natural Increase*	450,000
Immigration**	500,000
Net Interregional*** Migration and/or Emmigration	-50,000
Net Population Growth 1975-1980	900,000

* State Dept. of Finance.

** Census, PUMS; note: This figure reflects only those immigrants who moved to the SCAG region and were still living here in 1980. It does not include those immigrants who moved here, and consequently moved out before 1980.

*** Derived from taking Natural Increase and Immigration from Net Population Growth 1975-1980.

APPENDIX D

DEFINITION OF TERMS

Nonhispanic White: Consistent with the Census definition of "White" excluding those of Hispanic origin.

Hispanic: Census definition of "Spanish/Hispanic Origin."

Black: Consistent with the Census definition of "Black" excluding those of Hispanic Origin.

Asian/Other: This population group is consistent with the Census definition of "Asian and Pacific Islander," "American Indian," "Eskimo," "Aleut" and the "Other" category.

Base Population: The Base Population consists of those people who lived in the region in 1980. The year 2000 Base population consists of the 1980 Base population and its associated natural increase and interregional migration. (Excludes immigrants and their natural increase.)

Interregional Migrants: This group consists of people who leave and enter the region, to and from other parts of the nation. The year 2000 interregional population includes the net movement from 1980 to 2000.

Immigrants: Immigrants (legal and undocumented) are defined as the population that were born in another nation and moved to the U.S. This report shows the immigrant population in the year 2000 as the number of net immigrants between 1980 and 2000 (the remainder of those entering and leaving the country), and their subsequent natural increase (births minus deaths).

APPENDIX E
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on APRIL 5, 1984

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